



April 6, 2026

Financial Literacy and Education Commission
US Department of the Treasury
Washington, DC 20220

RE: Notice of Request for Information Related to the Financial Literacy and Education Commission (FLEC) Update to the U.S. National Strategy for Financial Literacy; Docket No. TREAS-DO-2026-0001

Dear Secretary Bessent and FLEC Members,

The Milken Institute is pleased to provide these comments to inform the work of the US Department of the Treasury's 2026 update to the Financial Literacy and Education Commission's (FLEC) National Strategy for Financial Literacy. Our recommendations are rooted in the Institute's longstanding commitment to a resilient and inclusive financial system and harnessing the power of finance as a force for good. Our comments also align with our newly launched Economic Mobility Alliance (EMA), which brings together some of our most effective financial programs under one umbrella to foster greater collaboration and maximize our impact, increasing economic mobility for individuals of all backgrounds throughout every stage of their financial lives.

Introduction

We envision the Milken Institute's EMA as much larger than merely the sum of our efforts, as numerous outstanding organizations today are focused on economic mobility. With the EMA, we will convene these organizations, and together we will amplify our collective impact, foster greater collaboration, and advance solutions more rapidly.

Our Lifetime Financial Security program is part of the EMA and focuses on ensuring that everyone leads a financially secure life over time and into retirement. Our focus areas include financial education, retirement plan access, early wealth building, debt management, the financial security of women and the feminization of wealth, combating financial fraud and scams, use of lifetime income, and global financial health—working in conjunction with the United Nations Secretary-General's Special Advocate for Financial Health.

Thank you for the opportunity to share our thoughts and comments on some of the FLEC's work. We applaud the broad and impactful work the US Department of the Treasury has undertaken, focusing on enhancing financial education and ensuring the financial security of all Americans. We particularly note the ongoing work to implement

the new Section 530(A) Accounts (Trump Accounts) to enhance early wealth building, leading to lifelong financial engagement. We drafted this comment letter to highlight issues regarding financial education, the implementation of Trump Accounts, and ways to address the proliferation of financial fraud and scams.

Recommendations Regarding Financial Education

Use Interactive Education Models

We applaud the FLEC's efforts to enhance financial education. The Milken Institute has conferred with many financial firms about their significant efforts to enhance financial education, leading to greater financial engagement.

We have seen that hands-on or interactive learning seems to work the best. Thus, we encourage the FLEC to focus on interactive financial tools and those that mimic real-world experiential learning as a component of the education. In addition, gamification works well with students and other younger Americans. For example, the Securities Industry and Financial Markets Association (SIFMA) Foundation's Stock Market Game has reached over 20 million learners and has had a measurable impact on financial literacy and engagement. Participants in grades four through eight showed increased scores in saving and investing concepts as well as math performance. Studies also confirmed that the games improved real-world saving and investing habits, among other things.

As a part of its Stock Market Game, it has SMG InvestQuest, a dynamic, self-guided learning experience that introduces users to the fundamentals of investing. Users choose from beginner, intermediate, or advanced levels to maintain and grow a \$100,000 virtual portfolio. The SIFMA Foundation also has a competition, called InvestWrite, that tests students' ability to analyze financial data, which has been linked to better long-term outcomes. We encourage these and other interactive learning models currently being employed by financial firms and some financial education platforms.

Include in Financial Education on Debt and Lifetime Income

The Milken Institute views key components of financial security to include:

- Financial education
- Debt management
- Building emergency savings
- Saving for retirement and creating streams of lifetime income
- Shielding savings and investments from financial fraud and theft

- Planning for and understanding decumulation (the spending portion of retirement)

Debt Management

Thus, we encourage the FLEC strategy to include education on debt management. The Milken Institute will be holding convenings on debt management and coordinating with organizations such as the National Foundation for Credit Counseling (NFCC) in this space. Our recent piece, "[Rewiring for Wealth: Making the Pivot from Debt Dependency to Saving and Investing](#)," notes the importance of debt management in establishing financial security across our lifetimes while highlighting debt levels in the United States.

We have encouraged employers to include seed money for debt management for employees who undergo brief training on debt management, and we encourage employers to offer debt coaches as an employee benefit.

Lifetime Income

The Milken Institute has identified lifetime income as a significant component of financial security. The financial industry is offering lifetime income solutions as key products, and we encourage financial education programs to now include education on lifetime income to highlight what it is and why it is an important component of long-term financial planning.

Lifetime income helps guard against downside market risk, and lifetime income products embedded in established employer-sponsored retirement plans are growing exponentially by the year. Only 15 percent of Americans are now offered a private pension, so millions are without a pension-like stream of guaranteed income in retirement.

We make recommendations regarding lifetime income and highlight its significance in our report, [Enhancing Retirement: Advancing Lifetime Income for All](#).

We believe that financial education should now include information on both traditional savings, including saving for emergencies and investing for retirement, as well as creating streams of guaranteed income. Thus, we encourage FLEC to include debt management and lifetime income in all educational materials.

Recommendations Regarding the Implementation of Trump Accounts

The Milken Institute has advocated for models that provide every child with a stake in the markets as early as possible, preferably at birth. We issued a seminal piece on the economic and social impact of early savings accounts that helped inform the background for the creation of the current Trump Accounts—[The Economic Impact of Invest America Accounts](#), authored by Michael Piowar, PhD, and Robert Shapiro, PhD.

This research report examined the idea of the “Invest America Account,” an account that holds an initial government grant of \$1,000 for every newborn American, invested in a broad equity index fund. We compared this approach to “early wealth building” proposals of the past and simulated the likely impact of the accounts on the wealth of their holders and reviewed the academic literature to explore the likely impact of Invest America Accounts on wealth creation for participating children. The report noted that, based on studies of previous efforts to provide funded savings accounts for newborns or young children, such programs should increase test scores, educational attainment, and earnings among participants. The report also noted that such programs could also increase financial literacy of participants and their parents, which in turn would likely increase savings rates and wealth creation. And the report concluded that since all newborns would receive the grants, the program would reduce wealth inequality.

Further, we gathered experts on wealth-building to discuss approaches to creating child savings accounts at our 2025 Global Conference in a private session “Innovative Developments in Early Wealth Building.” We gathered leading experts to discuss “baby bonds” and early wealth-building accounts and models.

We recognize the significance of the creation of this new program as an important national vehicle for early wealth-building. To ensure these accounts reach their full potential, we recommend that the US Department of the Treasury address several primary implementation hurdles.

Reducing Enrollment Friction Through Education and Financial Industry Participation

Some parents may view the opening of the Trump Accounts for their children, by filing Form 4547 with their tax return, as a barrier to setting up the investment account for their child.

We note that some families may prefer to go directly to the Trump Account Election Form portal. Highlighting this as a simple five-minute standalone tool for non-filers will be important.

We also encourage the US Department of the Treasury to consider allowing private financial firms to provide direct one-click referral links to the Trump Account election form website page on their websites. This would leverage existing consumer trust and allow the private sector to help drive the marketing necessary to reach the goal of universal adoption.

We believe the government can provide the infrastructure, while the private sector can assist with the interface for these accounts. We have also considered additional factors

that may encourage and enhance take-up of these important early wealth-building accounts.

Providing Information About Simple Investment Options

Surveys have indicated that when families have heard about these accounts and the \$1,000 seed funding, they are excited about this development. However, many seem to be intimidated by the administrative friction, and some of those surveyed have conveyed they believe that setting up these accounts will be difficult or confusing. Others have expressed confusion about the nature of the appropriate investments and how to set them up. The Milken Institute believes that providing details about what a target date or life cycle fund is on the landing page would be helpful. This information could note that these funds can be set up without further monitoring. The US Department of the Treasury could also consider ways to suggest these types of funds as a default option. Providing this information could enhance the uptake of these important accounts for children.

Establishing an Administrative Safe Harbor Related to Other Government Benefits

We believe it is important to clarify that opening a Trump Account for a child will not limit access to important government benefits. We have heard that some parents and families may be afraid that the \$1,000 will disqualify them from other benefits, such as Medicaid or Supplemental Nutrition Assistance Program (SNAP) benefits. We believe that addressing this issue, as a significant barrier to adoption by those families in most need of assistance, is a key way to ensure that a large portion of the population uses the Trump Accounts.

Thus, we recommend that the US Department of the Treasury create something like a “categorical exclusion for inter-generational savings.” This could come in the form of a Revenue Ruling or an Inter-Agency Memorandum of Understanding (MOU) with the US Department of Agriculture (for SNAP benefits) and the US Department of Health and Human Services (for Medicaid). We urge the US Department of the Treasury to consider classifying these funds as “non-countable educational assets” pursuant to the Trump Account enabling statutes. This will create a broad safe harbor to encourage use of these accounts to help secure the financial futures of millions of American children.

We think this bright-line guidance will benefit the Trump Account program in both the short- and long-term. Taking these actions will also eliminate legal ambiguity in this area.

Undertaking a Robust Media Campaign

The Milken Institute recognizes that not every family has heard of Trump Accounts and some may feel too overwhelmed with responsibilities and work to look into them. Thus, we suggest that the federal government roll out a robust media campaign. If the United States is going to meet the moment and fully realize the potential impact of these historic early wealth-building accounts that can change the course of a child's life, leading to benefits such as long-term financial engagement and saving, then a push for enrollment is essential.

Recommendations Regarding the Rise of Global Financial Fraud and Scams Reaching American Citizens

Tech-enabled fraud and financial scams are proliferating worldwide at an unprecedented speed. Sophisticated digital tools and artificial intelligence now allow bad actors to produce convincing fake communications, videos, and financial documents at scale. One in three Americans reports having been targeted by scammers, and annual reported losses continue to climb sharply.

In 2025, financial fraud losses in the United States reached a record \$12.5 billion, a 25 percent increase from the previous year, driven largely by the "industrialization" of scams through generative AI (according to the Federal Trade Commission's *2024 Sentinel Network Data Book*, released in March 2025). Some scammers transitioned from manual tactics to automated supply chains, using AI to scale attacks. Attackers can now run thousands of attempts across voice, video, chat, and email using synthetic identities that look and sound legitimate. We have gathered data on deepfake scams, imposter schemes, investment and crypto fraud, phishing schemes, and account takeovers, and the information is staggering.

Changing Internal Revenue Service Tax Treatment of Stolen Retirement Funds and Other Funds Lost Due to Financial Scams

In some of the worst outcomes, Americans who have money stolen from their retirement accounts are generally responsible for paying taxes on the amount stolen, as this situation is treated as a retirement distribution by the Internal Revenue Service (IRS).

It is our understanding that the IRS released definitive guidance in 2025 confirming that many victims are indeed held liable for taxes on stolen retirement distributions. Some of these victims have had all or a large portion of their retirement savings stolen, decreasing or eliminating the retirement security they have worked for decades to build. We encourage Treasury to coordinate with the IRS to change this outcome for fraud victims who have had funds stolen from them.

We recommend revisiting IRS Memorandum 202511015, released in March 2025, by the Office of the Chief Counsel of the IRS. This memo outlines how the IRS treats five common scam scenarios under the Tax Cuts and Jobs Act. This memorandum limits the deductibility of losses due to financial fraud and theft.

Considering a Digital Verification System

Traditional education or brochure-style education is failing to stop sophisticated AI-driven and cross-border fraud. The Milken Institute suggests that Treasury take the lead in setting up a “Verification Standard Digital Seal” for official communications from banks and financial firms with embedded digital assets that are difficult to copy. Thus, when a consumer receives an electronic communication purportedly coming from a bank or financial firm, they will be able to cross-check for the verification of the appropriate digital badge. A possible challenge for financial firms will be to create a badge that also embeds a unique user or customer code. However, the scope of fraudulent financial scams leading to asset theft has grown to the point that it requires creative digital solutions. We hope that this idea will be considered.

Developing the Milken Institute SHIELD Working Group

Building on the insights from our research, the October 2025 Milken Institute Asia Summit session, “Escaping Scam City: Untangling the Human and Economic Cost of Cybercrime,” and our subsequent convening at the March 2026 Future of Finance Summit, “Decoding Deception: Understanding and Protecting Against the Dramatic Rise of Financial Fraud and Scams,” the Institute is taking strategic steps towards developing the Secure Household Income and Equity from Larceny and Deceit (SHIELD) Working Group.

As a global think tank, with locations in Washington, DC, Los Angeles, New York, Miami, London, Singapore, and Abu Dhabi, we are uniquely positioned to hold strategic gatherings that lead to written reports with actionable recommendations related to defending against the dramatic rise of AI-facilitated financial fraud and scams. Our vision is for the SHIELD Working Group to function as a robust public-private partnership, coordinating closely with governmental and quasi-governmental entities, such as the US Department of the Treasury and the US Securities and Exchange Commission, the Financial Industry Regulatory Authority (FINRA), and other global regulatory authorities. Our goal is for the working group to also integrate experts from financial firms and other important stakeholders, such as global cybersecurity experts, trade associations, and global think tanks. We are already in contact with SIFMA, as it has done significant work in this area.

Our work will be with a view toward root cause analysis, with coordination and planning on a worldwide basis. We will be particularly focused on actions government entities can take, the role of financial firms in stopping these scams, and how to educate individuals and families to identify various types of scams while highlighting actions individuals can take to protect themselves from losing hard-earned savings and investments. We will also focus on topics such as ways to identify patterns of vulnerability to decrease theft.

We understand the extraordinarily complex nature of this topic. The Milken Institute has concluded that all efforts in this space matter. The Finance team at the Milken Institute focuses on finance as a force for good. It aims to improve the lives of global citizens by advancing economic and policy solutions that increase access to capital, foster economic growth, and tackle social challenges. This challenge will continue to expand and erode the financial security of Americans and citizens around the world, absent targeted and sustained intervention. As we have previously pointed out, transnational fraud and scams are now truly global in scale. Failure to effectively combat this challenge threatens not only financial systems but also international collaboration.

We would be pleased to host an initial SHIELD convening in conjunction with the US Department of the Treasury as appropriate.

Conclusion

The Milken Institute values the diverse and impactful work of FLEC and welcomes the opportunity to provide additional detail regarding the information above. We would be pleased to meet with you and your staff to discuss these important issues and serve as a resource as you continue to refine the National Strategy for Financial Literacy.

Thank you for your continued work to advance the financial security of all Americans.

Sincerely,

Cheryl L. Evans

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